

THE BOND BUYER

THE DAILY NEWSPAPER OF PUBLIC FINANCE

States Compete for \$30M in Federal Grants for Intercity Rail

Bond Buyer | Wednesday, August 6, 2008

By [Audrey Dutton](#)

More than 20 states are vying for \$30 million in federal grants to help finance intercity passenger-rail projects, through the first federal-state partnership of its kind at the U.S. Department of Transportation, officials announced yesterday.

The Federal Railroad Administration will choose the projects next month to be awarded the grants. Each of will require a 50% match from states. The \$30 million of federal funds will be available directly to states under the capital assistance to states program.

Each proposal is being judged based on whether the state is committed to paying for its share, as well as whether intercity passenger rail is included in state congestion plans, whether the project will improve travel times, service frequency and quality, or obtain 80% or higher on-time arrivals and departures.

Since February, when the program was announced, nearly two dozen states submitted 25 proposals to improve passenger rail reliability and boost capacity. New signaling systems, reconfigured track junctions, and additional main line tracks are some proposed projects. Most of the applications are in the category of improvement, but a few would pay for entirely new services, the DOT said in

a news release. A spokesperson declined to identify which states and projects are competing for the matching grants.

Sources said proposed projects in California, Illinois, Missouri, North Carolina and Wisconsin are likely to be among the candidates.

Rod Massman, the Missouri Department of Transportation's railroads administrator, confirmed yesterday that his state is seeking \$5 million of matching federal funds for two new sidings - side tracks allowing trains to pass - in the western part of the state. The Missouri legislature recently granted \$5 million for that project.

The New York Department of Transportation also confirmed its application for \$4 million of federal funds toward a \$10 million project for a fourth passenger rail track at the Rensselaer Amtrak station. The state Legislature has not yet approved state funds for that project, a state DOT spokesperson said.

The Bush administration first announced its intentions to establish a federal-state partnership for intercity passenger rail in 2002. It requested \$100 million for the program in its fiscal 2009 budget proposal.

States are eligible to receive matching grants for projects such as improving existing track to allow for higher speeds, adding or lengthening passing tracks, buying new passenger rail cars, and upgrading track switches and signaling systems.

© 2008 The Bond Buyer and SourceMedia Inc., All rights reserved. Use, duplication, or sale of this service, or data contained herein, except as described in the subscription agreement, is strictly prohibited. Trademarks page.

Client Services 1-800-221-1809, 8:30am - 5:30pm, ET

For information regarding Reprint Services please visit: <http://license.icopyright.net/3.7745?>

icx_id=20080805RWNFB12N